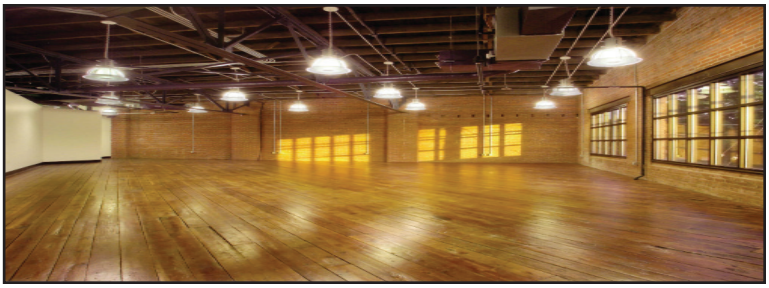

Case Study of Third Street Exchange

Keys to Success

- Project Description
- Economic Value
- Challenges & Advice
- Benefits
- Stewardship Meaning

Around 2002, Community Ventures Corporation (CVC) began acquiring properties in the Third Street/Midland Avenue area of Lexington to renovate. Because of environmental concerns, perceived crime and the over-all blighted appearance of the area, private-sector businesses had little interest in locating there.

One building purchased by CVC was erected in the 1940s and is now called the Third Street Exchange. This facility had served as a dairy cooler depot, wire cable storage and an HVAC service center. The adjoining land, which CVC planned to use for parking, was the site of a salvage company, auto repair building and paint shop and revealed some environmental concerns after the confirmation of the presence of lead, chlorinated solvents and polycyclic aromatic hydrocarbons.

CVC conducted an All Appropriate Inquiry prior to obtaining ownership. This is one of the chief requirements to claiming Bona Fide Prospective Purchaser liability protection under state and federal law.

> "The Third Street Exchange is a prime example of the results of hard work and determination to improve Lexington's East End community."

The Third Street Exchange, along with the nearby $20 million redevelopment of the former Bluegrass-Aspendale low-income housing complex, renovation of the Lyric Theater, development of the Legacy Trail and the Isaac Murphy Memorial Art Garden, has contributed immensely to the revitalization and increase in economic values of the area. According to the Fayette County Property Valuation Administrator's records in 2011, the property value of the Third Street Exchange has increased to five times its 2001 value.

A project of this magnitude required the cooperation and assistance of several organizations, including government agencies; area churches; and financial, educational and medical institutions. CVC began working with the Kentucky Superfund Branch to

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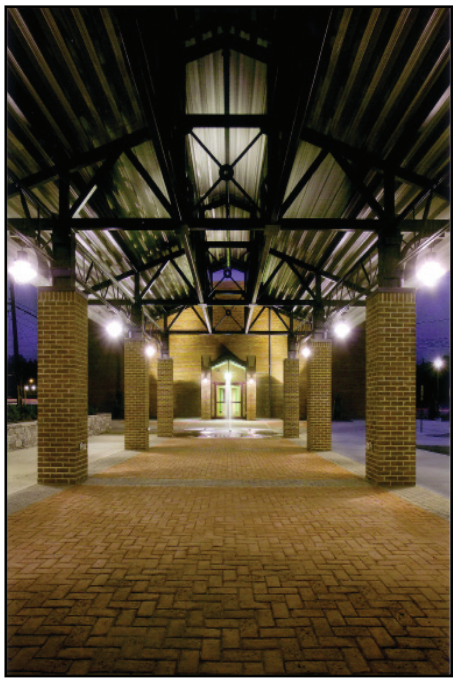
design this redevelopment project to address environmental issues, revitalize a set of properties that had the potential to contribute significantly to Lexington's downtown and provide services that the area's residents so desperately needed.

Approximately 120 tons of contaminated soil were removed from the site and sent to an appropriate landfill. Clean fill was brought in, and the property was covered with impervious pavement and clean soil. A deed restriction was filed to ensure that any future owners would be aware of the history of the property and take appropriate precautions. These included limiting the property to nonresidential uses, maintaining the paved parking lot and soil cap areas and contacting the Energy and Environment Cabinet regarding any construction work that would disturb the cover on-site, which is important to assure the safety of any future construction workers.

The Third Street Exchange as it appears today.

Besides dealing with grounds problems, the building was gutted, all mechanical systems replaced and the interior redesigned to create the business incubator and learning center areas. CVC retained the character of the building by refinishing the original wood floors. Since the structure was not demolished, the architectural element that was a part of the area's history and aesthetic was saved.

Hard work has transformed this brownfield into an asset for the area. Now the location is a multipurpose facility with a business incubator, the Douglas Community Learning Center and job development opportunities. The Third Street Exchange is the crown jewel in an area that was once blighted, riddled with crime and empty storefronts and was an environmental mess. Now, it is fulfilling its intended purpose for the neighborhood in offering educational services and increasing incomes, asset accumulation and jobs for families through business ownership and self-employment.



The canopy covering the walkways in the parking lot is an attractive pavilion.

Through the community's persistence to improve the East End neighborhood, local economy and quality of life, revitalization has occurred. The facility continues to expand its services to the community with Saturday morning farmers' markets under the parking lot pavilion, which brings fresh produce to an area with few retail sources for healthy food. Due to its success with this property, CVC has acquired an adjacent former dry cleaner and secured an EPA grant to assist with the cleanup.

Helpful Hint: **Buy food locally and in season to benefit area farmers and the environment. It decreases the food's travel distance, saving resources and minimizing pollution.**